

March 9, 2010

The Honorable Kent Conrad  
Chairman  
Committee on the Budget  
624 Dirksen Senate Office Building  
Washington, DC 20510

The Honorable Judd Gregg  
Ranking Member  
Committee on the Budget  
624 Dirksen Senate Office Building  
Washington, DC 20510

Dear Chairman Conrad and Ranking Member Gregg:

Thank you for affording me the opportunity to provide my views and estimates regarding the President's Fiscal Year 2011 budget as it affects matters within the purview of the Homeland Security and Governmental Affairs Committee (HSGAC). As you prepare the budget resolution for Fiscal Year 2011, I hope the following recommendations and comments will assist you in preparing a budget plan for the federal government. This letter addresses both matters related to the Department of Homeland Security (DHS) and agencies that fall under the Committee's Governmental Affairs jurisdiction.

### **Budget Overview for the Department of Homeland Security**

The President's Budget Overview requests \$43.6 billion in discretionary funding for the Department of Homeland Security in FY 2011, an increase of 2.7% over FY 2010 funding levels. Overall, this is a balanced and prudent request in an economically difficult time. Nonetheless, given recent reminders about the threats facing the United States, I believe there are a limited number of additional investments that should be made to address critical needs at the Department.

### **DHS Headquarters and Management**

The Administration proposes moderate increases to the Department's headquarters and management offices, which play a vital role in implementing the Secretary's OneDHS policy and promoting the strategic and operational integration of the Department. Where not specifically noted, I support full funding for the budget requests made in these accounts. I am also pleased that the Department plans to realize substantial savings from the conversion of contractors to federal employees in many of its headquarters and management offices, and is using these savings to fund critical new activities.

***Office of Procurement.*** I support the President's request for \$99.8 million for the Office of the Chief Procurement Officer. This amount includes \$24.2 million in new funding to bring 100 new recruits into the Acquisition Professional Career Program, and will ensure that DHS expands workforce certifications in career fields of Test and Evaluation, Logistics, Systems Engineering, Cost Estimating and Financial Management – all key positions in ensuring the quality and value of acquisitions. These continued investments in DHS's acquisition workforce are needed to improve management of the cost, schedule and performance of the Department's acquisitions, which exceeded \$13 billion in the last fiscal year.

***Office of Chief Information Officer.*** The FY 2011 budget request continues to fund important DHS integration priorities for the Office of Chief Information Officer. I support funding the majority of the \$398 million budget request that will go to important projects that will assist the CIO's office in providing enterprise solutions for the entire Department – including data center consolidation and e-mail as a service. The CIO's office should also be commended for their ongoing review of major IT projects, which will help get troubled projects back on track and ensure that projects funded across the department are meeting their goals.

***Homeland Security Department Headquarters.*** The President's budget for DHS and the General Services Administration (GSA) includes a combined \$743 million request for the DHS Consolidated Headquarters Project, which would continue construction at the St. Elizabeth's West Campus and allow DHS to lease space for its remaining components that cannot be housed at St. Elizabeths. I believe it is imperative that Congress continue its support for this important project, and view it as a critical cornerstone of efforts to improve management at DHS. Consolidating the majority of the Department's functions into one location is essential to establishing a unified DHS culture and boosting morale. Today, DHS is spread throughout 70 buildings across the National Capital Region, some totally inadequate for a vital federal department, making communication, coordination, and cooperation between DHS components a significant challenge. A business would likely fail if it operated in this way, and the status quo undermines the overarching homeland security mission.

Investing in a DHS headquarters is also a matter of fiscal responsibility and job creation. DHS and GSA broke ground at St. Elizabeths earlier this year with funds from the American Recovery and Reinvestment Act of 2009. If the DHS Headquarters Project is not fully funded, it could mean a significant delay or complete stoppage of work which in turn could cause hundreds of millions of federal stimulus dollars to be wasted and the jobs created by this project to be lost. Therefore I strongly urge the Committee to support the President's request for the DHS Consolidated Headquarters Project in both the DHS and GSA budgets.

## **DHS Office of Inspector General**

The Department of Homeland Security needs effective oversight to meet its myriad substantive and organizational challenges, and I request that the Committee work to find additional funds to fully empower the Department's Office of Inspector General. The Administration has requested \$129.9 million for the OIG in FY 2011. The seeming increase

reflects an accounting change concerning money typically transferred from the Disaster Relief Fund. When this is taken into account, the request is actually a small cut from current operations and does not include increases sought by the IG to keep pace with the Department's growth, particularly in U.S. Customs and Border Protection (CBP). Under the Inspector General Reform Act of 2008, the Administration is required to relay to Congress the comments of IGs who believe the budget request for their office will "substantially inhibit" their ability to carry out their mission. DHS IG Richard Skinner felt concerned enough to try to relay such comments, although they were not fully transmitted as they should have been. Skinner is seeking an additional \$26 million and I urge that your Committee fund as much of this request as possible for this priority work. The Department's OIG has a critical mission and the extra investment will likely pay for itself by enhancing the OIG's ability to expose and correct waste, fraud and abuse regarding Department funds.

### **Homeland Security and First Responder Grants**

Homeland security grants are a vital element of our national effort to prevent, prepare for, and respond to acts of terrorism and national disaster. State and local governments rely on them to protect their communities and keep their citizens safe. Given their importance, I am disappointed that the President's budget would reduce funding for homeland security grants to states and localities by over \$300 million or nearly 8%. While some of these cuts are obscured by the inclusion of \$200 million for grants to provide security for certain terrorism trials in civilian courts, which I believe are inappropriate, the Administration has proposed reducing funding for several programs, including the Assistance to Firefighters Grant (AFG) and the Staffing for Adequate Fire and Emergency Response (SAFER) programs. The Administration has also proposed eliminating a number of programs, including grants to fund medical preparedness for disasters that result in mass casualties and communications interoperability among first responders.

I urge that funding for homeland security grants be maintained at levels no lower than those of FY 2010 and, in a few cases, that there be modest increases in funding. I also strongly recommend maintaining those grant programs slated for elimination—in particular, those for medical preparedness and interoperability—rather than adopting the Administration's proposal to fold them into other, larger grant programs.

**Firefighters.** AFG and SAFER grants provide essential funding to fire departments across the country. These are effective, competitive, peer-reviewed programs that help build much-needed capacity. AFG has enabled departments to get essential training, equipment, and vehicles; and SAFER has allowed departments to hire sufficient staff to protect their communities around the clock. Consequently, I am dismayed that these programs would suffer some of the largest reductions among grant programs. AFG would be reduced 22% from last year—and, if the proposed cuts occur, a total of 46% from FY 2009. Funding for SAFER would decline by 27% from last year.

These cuts are particularly troubling given the obvious need for these funds. In fact, if anything the volume of requests suggests that much more funding is needed. In FY 2009, for example, AFG received more than \$3 billion in applications for the \$565 million then available.

In a time of highly constrained local budgets and continued high unemployment rates, programs that support and employ first responders warrant continued support. For these reasons, I urge you to fund SAFER and AFG each at \$390 million in FY 2011. Though an increase over the President's proposed budget, this would maintain AFG funding at the FY2010 level – still well below the funding that AFG received in FY 2009 – and provide a significantly smaller cut in SAFER funding than the Administration has proposed.

***SHSGP and UASI.*** The State Homeland Security Grant Program (SHSGP) and the Urban Area Security Initiative (UASI) are the two largest homeland security grant programs. SHSGP provides all states with basic, multipurpose preparedness funds while UASI targets essential funding to the nation's highest risk metropolitan areas. Both programs would receive nominal increases in the President's budget. However, the proposed increase in UASI funding is comprised almost entirely of up to \$200 million that is set aside to provide for the enhanced security that would be needed to try Khalid Sheikh Mohammed and the remaining suspects in the attacks of 9/11 in New York City. Because I believe that enemy combatants should not be tried in civilian courts, I am strongly opposed to the proposed use of UASI grant funds for this purpose. That money, I believe, would be better used to address the other urgent homeland security needs discussed in this letter.

As for SHSGP, the Administration proposes eliminating funding for several other grant programs—including the Interoperable Emergency Communications Grant Program (IECGP), Metropolitan Medical Response System (MMRS), Citizen Corps Program, and Driver's License Security Grants Program—and allowing states and localities to use their SHSGP funds to cover these expenses. However, the proposed \$100 million increase in SHSGP falls considerably short of the funding necessary to maintain current spending levels for the targeted grant programs.

In FY 2010, SHSGP received an appropriation of \$950 million (including \$60 million for Operation Stonegarden grants) and UASI was funded at \$887 million. The Implementing Recommendations of the 9/11 Commission Act of 2007, which enacted these two programs into law, authorized appropriations in FY 2011 of \$950 million for SHSGP and \$1.15 billion for UASI. I recommend that SHSGP and UASI be funded at no less than FY 2010 levels and, if possible, at the full authorized amounts. Also, as discussed in more detail below, I believe it is important to maintain certain important targeted grant programs such as IECGP and MMRS and not put new demands on UASI and SHSGP, particularly without the funding necessary to do so.

***Medical Preparedness.*** MMRS supports preparedness for mass casualty events—whether as a result of a natural disaster or a terrorist attack—and brings together hospitals, government officials, and first responders to do critical planning before a disaster strikes. Each of the 124 MMRS jurisdictions serves to coordinate local and state pandemic flu plans, maintains a stockpile of chemical and biological agent antidotes allowing local first responders to operate under otherwise dangerous conditions, and is charged with the responsibility of developing plans

for the rapid movement of patients when disasters occur. Last year, each MMRS jurisdiction received less than \$300,000, yet even with these modest funding levels, the MMRS system played an important role in many communities' response to the H1N1 pandemic flu.

In its FY 2011 budget, the Administration has proposed eliminating funding for MMRS and instead relying on already overextended states and cities using their SHSGP and UASI awards for medical preparedness and response – a proposition made even more challenging because many of the existing MMRS jurisdictions are not aligned with either state or UASI area boundaries. I think this would be a mistake.

The scope of the terrible tragedy in Haiti, as well as the findings of the Commission on the Prevention of Weapons of Mass Destruction Proliferation and Terrorism concerning the likelihood of a biological attack, make clear the importance of a mass casualty preparedness program like MMRS. Rather than eliminating the program, I strongly recommend that funding for MMRS be continued at no less than the modest \$41 million appropriated in FY 2010 and, if possible, increased to \$75 million, which would allow the program to expand and ensure that every state and UASI city could participate.

***Interoperability.*** Communications interoperability is vital for disaster response and other homeland security and public safety needs. I was therefore disappointed that the President's budget request eliminated funding for IECGP. Instead, the Administration has suggested that SHSGP and UASI funds be used to address interoperability needs. Congress created IECGP largely because interoperability needs have taken up a disproportionate amount of other DHS grant programs, diverting funds from other needs. While IECGP has been funded well below its authorized level, it has been an important tool in helping states implement their Statewide Interoperability Plans and advance governance structures that are essential for cooperation among federal, state and local entities. While ideally I would like IECGP to be funded at its authorized level of \$400 million in FY11, I recognize that fiscal constraints make full funding difficult. I urge that IECGP be maintained as a separate grant program and that it be funded at least at the level of its FY 2010 appropriation of \$50 million.

***Emergency Management.*** The Emergency Management Performance Grants (EMPG) program helps state and localities build the capabilities to be prepared for both natural and man-made disasters, and has traditionally focused particularly on planning efforts. I support the President's request for a slight increase, to \$345 million, in funding for this important program.

***Transportation Security Grants.*** Congress has recognized that our ports and transit systems still have substantial vulnerabilities. In legislation over the last few years, Congress has identified hundreds of millions of dollars worth of needed security improvements: the SAFE Port Act of 2006 authorized \$400 million annually for port security grants, while the 9/11 Commission Recommendations Act authorized \$900 million for transit security grants. Congress followed up on this authorizing legislation by appropriating \$400 million for each of these programs in FY 2008 and FY 2009. In FY 2010, the appropriation for each of these programs was reduced to \$300 million – but it was effectively supplemented by funds from the American Recovery and Reinvestment Act (ARRA), which included \$150 million each for port

security and transit security grants. (While ARRA port security and transit security funds were appropriated in FY 2009, the first grants were not awarded until late in that fiscal year and for the most part would generally not have been disbursed before FY 2010). The Administration's proposed FY 2011 budget nominally maintains FY 2010 funding levels for these two key security programs – \$300 million each – but without the availability of the additional ARRA funds, the effect is a substantial decrease in funding levels from previous years.

While I recognize that it may not be possible to fund transit security grants at the previously authorized levels, given the well documented threats to these systems, I urge the Committee to provide at least a modest level of additional funding for the Port Security Grant and Transit Security Grant programs beyond the President's request– \$345 million each.

The Administration has also proposed eliminating funding for over-the-road bus security again, for which Congress authorized \$25 million in FY 2011 in the 9/11 Commission Recommendations Act, and which was funded at \$12 million in FY 2010. I believe there remain unmet needs in this field – such as training, exercises, and other security improvements identified in the 9/11 legislation – that should be supported. Therefore I recommend that the Committee provide \$10 million for this program in FY 2011.

### **Federal Emergency Management Agency (FEMA)**

Following Hurricane Katrina, Congress passed the Post-Katrina Emergency Management Reform Act of 2006 ("Post-Katrina Act"). Responding to the findings of an extensive HSGAC investigation that the government was woefully unprepared to deal with a national catastrophe and FEMA lacked essential capabilities and resources, the Post-Katrina Act sought to create a new FEMA – a stronger, more robust entity that would, for the first time, be equipped to prepare for, respond to, and recover from a true catastrophe.

In years since Hurricane Katrina FEMA has received much needed increases in resources that have been essential in the process of implementing key provisions of the Post-Katrina Act. But those increases were not enough to complete the new FEMA. Last year FEMA's appropriations for management and administration were essentially flat, leaving little to nothing for building the new FEMA. Similarly, for FY 2011, the Administration fails to seek any additional funding for FEMA's continued development. For example, no funds are requested to staff increases in areas such as operational planning, acquisitions, grants management, and logistics management.

This is disappointing given recent reports showing FEMA's continued need for additional resources. For example, an October 2009 report by the National Academy of Public Administration found that FEMA had insufficient capability in its regional offices and that regional officials routinely cited lack of staff as one of their major challenges. A March 2008 report by the DHS Inspector General repeatedly emphasized that budget shortfalls and staff shortages were negatively affecting FEMA's progress in building its capacity to respond to a catastrophe. Another 2008 DHS OIG report similarly concluded that FEMA had not yet met the Post-Katrina Act's requirement to establish a logistics system, and that FEMA needs to continue

hiring and training acquisition personnel, and develop reliable, integrated financial and information systems.

Given the extensive remaining needs at FEMA, I recommend at least a modest increase in the FEMA Operations Management and Administration (OMA) account for FY 2011 to help ensure that FEMA continues to build the capabilities it so painfully lacked in the response to Hurricane Katrina. I understand that FEMA expects to deliver the results of its study of human capital resources, that was required in the Department of Homeland Security Appropriations Act for FY 2010, to Congress on June 30, 2010. I look forward to the results of that study, and believe that the study's findings will be helpful in ensuring that any additional OMA funds are allocated effectively to meet the greatest needs.

Additionally, the President's budget request does not include any specific funding for the private sector preparedness certification program required in section 901 of the 9/11 Commission Recommendations Act of 2007. As the response to Hurricane Katrina and other disasters demonstrates, it is vital to include the private sector in our preparedness activities and, without dedicated funding, I am concerned that this program will not be properly implemented, leaving us more vulnerable to terrorist attacks and other disasters.

***Pre-Disaster Mitigation Fund.*** Mitigation has proven to be a cost-effective measure. In 2007, the Congressional Budget Office (CBO) found that future losses are reduced by about \$3 for each \$1 spent on mitigation efforts supported under the PDM program. Moreover, CBO found that PDM-funded projects could lower the need for federal post-disaster assistance so that the federal PDM investment would actually save taxpayers money in terms of the federal budget. Given the demonstrated benefits of mitigation, HSGAC reported out a bill in 2008 that would have authorized funding of \$230 million for the PDM program for FY 2011. I recognize that reaching this funding goal is likely not feasible this year given overall constraints on the budget, but I nonetheless urge you to fund the PDM program at least at FY 2010 levels and higher if possible.

***Emergency Food and Shelter.*** This important and highly effective program provides emergency assistance to supplement community efforts to meet food, shelter, and other related needs of homeless and hungry persons to all fifty states. Although this is always an important program, given the current economic downturn, this program is even more important this year. In FY 2010, \$200 million was appropriated for EFS. I was dismayed to see that the budget request only seeks \$100 million in FY 2011 – a 50% cut in funding. I believe this program should be spared this drastic cut and be funded at \$200 million, as it was in FY 2010.

## **Border Security and Immigration**

While I generally support the funding levels in the President's request for Customs and Border Protection (CBP) and Immigration and Customs Enforcement (ICE), I am concerned that the border security funding in the FY 2011 budget submission includes cuts to several programs that are a vital part of our efforts to deny terrorists the ability to travel. Specifically, the President's budget would zero out funding for the Global Advance Passenger Information

program (Global API), does not include any funds for continuing to expand the Visa Security Program at high risk consular posts abroad, and does not include funding for the deployment of a biometric exit system.

**Global API.** Global API is a small but vital program that seeks to provide the U.S. government with information about flights that do not have a nexus to the United States. This program seeks to match airlines' Passenger Name Record (PNR) data on international flights, which is made available to CBP 72 hours before departure, with a wide variety of government databases including the terrorist watch list. Although PNR data usually does not have some significant identifying fields, this program gives CBP an important opportunity to begin pre-screening international flights well in advance of travel. I believe this program remains valuable, especially in the wake of the Christmas Day attack. I support adding \$3 million to CBP's Salaries and Expenses account in order to fully fund this program's continued implementation.

**Visa Security Program.** The Visa Security Program (VSP), mandated by the Homeland Security Act, gives DHS limited authority to oversee the Department of State's consular officers abroad in connection with the granting or refusal of visas and authorizes DHS to deploy investigators at consular posts abroad. Although DHS and State have identified 57 high-risk consular posts abroad, only 14 of them have received Visa Security Units (VSUs). The Christmas Day attack highlighted the importance of having adequate security measures in place at consular posts abroad. I believe that the VSP is an essential tool for denying terrorists access to travel, and I was disappointed that the President's budget includes no funding for expansion of this program in FY2011. I urge that Congress provide ICE with \$15 million above the Administration's request to continue expanding the VSP to 8 additional high-risk consular posts in FY 2011.

**SBINet.** Additionally, I believe that the President's budget request for border security needs to more effectively target federal resources to the threats our nation faces. Although border technology and infrastructure programs have received over \$3 billion dollars since FY 2007, the Department has once again delayed the troubled implementation of the first 50 mile stretch of "virtual fence" until the end of calendar year 2010. The Administration has requested \$574 million to finish deploying this first installment of the "virtual fence." Over the past three years, I have expressed concern over the vagueness of the plans proposed by the Department to implement this border security initiative and cautioned against awarding a multiyear, multibillion dollar contract to a single contractor. I continue to have concerns about this program's implementation, and I recommend that Congress fence off the requested funding pending a thorough review of the program launched by Secretary Napolitano in recent weeks.

**Border Patrol and CBPO staffing.** Given our severe budgetary constraints, I support the Administration's plan to reduce Border Patrol by 189 positions through attrition. Secretary Napolitano testified before HSGAC that this reduction would not affect the number of agents deployed to the Northern and Southern borders and would maintain a staffing level of 20,000 agents for the Border Patrol—an increase of 133% since the end of FY 2000. I am concerned, however, that our staffing levels for CBP officers at the ports of entry (POE) have suffered as a result of a decrease in fee collections. Many experts believe that the ports of entry represent a



greater threat to homeland security than the land border, something that was underscored by the Christmas Day attack, yet the ports of entry have received a steadily decreasing percentage of the overall CBP appropriation since 9/11.

***Violence at the US-Mexico Border.*** While the Christmas attack has focused our attention on the threat posed by terrorists abroad, I am also greatly concerned by the rapid increase in violence among the drug cartels in Mexico. This gruesome violence has claimed the lives of over 15,000 people in the last two years, and murder rates have been increasing over this period. I am saddened that this violence continues, and that despite our government's best efforts, the cartels continue to wage war against the Government of Mexico. As the cartels become increasingly ruthless, these narco-terrorists may turn their attention to the U.S. side of the border. In fact, attacks on Border Patrol agents are becoming more common and more severe, resulting in the tragic murder of an agent in Campo, California last year by smugglers. I am disappointed that the President's budget proposes eliminating fifty non-recurring CBP officer positions detailed to southbound inspections, as these inspections are a crucial aspect of our efforts to support the Mexican Government's efforts and to hit the cartels where it hurts them the most – taking away their access to the guns and cash they need to survive.

I recommend increasing funding for border security at the ports of entry by \$25 million over the FY 2010 appropriation. This funding would be used to deploy 150 officers to better target travelers coming to the United States, to expand the implementation of the Immigration Advisory Program at foreign airports, and to continue to implement a robust southbound inspections program.

***Detention and Alternatives to Detention.*** Beginning in the 109th Congress I have introduced legislation, The Secure and Safe Detention and Asylum Act, to address the mistreatment of asylum seekers and other ICE detainees in county jails and other detention facilities. One important provision of the legislation, which passed the Senate in 2007 as an amendment to immigration reform legislation, requires the nationwide expansion of the Alternatives to Detention (ATD) program. The ATD program not only ensures humane treatment of non-criminal aliens who pose no flight risk or threat to public safety, but it could also save the U.S. taxpayer tens of millions of dollars. Where detention facilities on average cost ICE well over \$100 per person per day, the agency's ATD program has incurred an average cost of approximately \$14 per person per day, and the average cost will come down as the program is expanded and consolidated under one contract.

The ATD program will save even more money as ICE works with the Department of Justice Executive Office for Immigration Review to expedite the review of aliens enrolled in the ATD program. According to DHS, the ATD program has achieved a high success rate for ensuring appearances at immigration hearings and compliance with removal orders. DHS has committed to nationwide expansion of ATD as an element of its plans for detention reform, but the Administration's budget request seeks only a small increase in ATD funding of \$2 million, from \$70 million enacted for FY 2010. This amount falls far short of the agency's estimates of the cost of nationwide expansion. Accordingly I recommend that funding for ATD be increased by \$40 million over last year's levels, to \$110 million. As ICE realizes additional cost

efficiencies I believe this increase would permit a corresponding reduction in funding for detention beds, for which the Administration has requested \$1.9 billion.

## **Transportation Security Administration**

***Aviation Security Programs.*** This budget proposes increasing TSA's aviation security budget by more than \$900 million in FY 2011 in order to enhance a multitude of aviation security programs. I strongly support proposed programmatic increases to TSA – \$220 million for Advanced Imaging Technology and Whisper Communications equipment, \$142 million more for EDS and ETD equipment, \$457 million more for additional Transportation Security Officers, Behavior Detection Officers, Federal Air Marshals, and necessary support staff, \$40 million for International Security programs, \$7 million for intelligence and information sharing coordination, and \$78 million more for canine teams. I urge the Committee to fully fund these requested increases.

***Surface Transportation Security Programs at TSA.*** The President's budget includes a \$27 million increase for surface transportation security programs. This fully funds a number of programmatic increases initiated in last year's Homeland Security budget and appropriations, including funding for additional VIPR Teams and Surface Transportation Security Inspectors. I strongly support this full funding of TSA's existing surface transportation security programs.

## **Port and Maritime Security**

Port and cargo security remains an important layer in the U.S. maritime and homeland security system. As I have noted previously, an attack on a U.S. port would damage our critical infrastructure and have devastating consequences for our economy. Two of CBP's port and cargo security programs which contribute directly to our maritime security would undergo significant transformation under the proposed budget, which concerns me. I have long supported the Container Security Initiative (CSI) and the Secure Freight Initiative (SFI), both of which were authorized by legislation passed by the Homeland Security and Governmental Affairs Committee. The President's budget requests just \$84.4 million for International Cargo Screening, cutting \$77.5 million from these programs compared to FY 2010. That includes a \$50.7 million decrease for the Container Security Initiative and a \$16.6 million decrease for the Secure Freight Initiative. It also includes a \$10.8 million cut that would eliminate CBP's access to some financial and trade databases, a cut that I support.

***Container Security Initiative.*** According to the budget, CBP would maintain operations in all 58 CSI ports in 2011, but would realize cost savings by shifting CSI personnel currently stationed overseas, at the CSI ports, back to the United States at the National Targeting Center. The program would rely on "remote targeting... remote examinations and image analysis, and greater reciprocal examination relationships with host governments." While I am not inherently opposed to redistributing personnel under the CSI program – in fact it is a subject I and other Senators have discussed with the agency several times over the years – the Administration has provided Congress with no plan regarding this shift in operations; nor have they been able to reassure the Committee that a minimum number of U.S. personnel will continue to work

overseas with their counterparts to enforce the “trust but verify” credo that has been a hallmark of CBP’s international screening programs. Until Congress has reviewed CBP’s plan to reform the CSI program, I am concerned by the proposed cuts, and recommend that the Committee fully fund the CSI program, with \$151 million, in FY 2011.

***Secure Freight Initiative.*** The President’s budget also proposes reverting the three remaining ports participating in the Secure Freight Initiative to CSI protocols, which would not require 100% scanning of all cargo, and instead require that only high risk cargo be scanned before it is bound for the United States. The Secure Freight Initiative was created in response to a legislative provision included in the SAFE Port Act of 2006, which required that CBP implement a pilot program to scan 100% of all cargo coming from at least three foreign ports. Congress subsequently required, as part of the Implementing Recommendations of the 9/11 Commission Act of 2007, that all cargo be scanned before departure for the U.S. no later than 2012.

However, Secretary Napolitano has testified before Congress that the Department will be unable to meet that deadline, and that she expects to use the authority provided to her in the 9/11 legislation to waive the deadline. While I understand and agree with the Secretary’s determination, I do not believe we should altogether abandon our efforts to scan more cargo containers, and I remain committed to the concept of the Secure Freight Initiative as a test bed for new solutions for improving cargo security. Therefore, I recommend the Committee fund the Secure Freight Initiative in FY 2011 at \$19.8 million, the same level as in FY 2010. CBP may still determine that some or all of the existing SFI ports shall utilize CSI protocols instead, but the additional funding could be used to identify new ports, or new solutions to test at existing CSI or SFI ports, for scanning a greater percentage of cargo containers.

## **United States Coast Guard**

I am extremely concerned by the proposal in the President’s FY 2011 budget to cut \$75 million from the Coast Guard and to downsize 1100 billets, or uniformed personnel. Since September 11, 2001 the Coast Guard has been repeatedly asked to assume an expanding homeland security mission. I believe the Coast Guard is uniquely suited to the maritime homeland security mission, and that Congress and the White House acted appropriately when entrusting homeland security missions to the agency. I am mindful the Coast Guard must also continue to perform its traditional missions – from search and rescue to drug interdiction to fisheries enforcement – but I believe that the agency can and should manage both its homeland and traditional missions, and that Congress should support the agency in this endeavor, and provide it with the necessary resources to succeed.

At a minimum, I urge the Committee to reject the proposed budget (\$75 million) and personnel (1100 FTE) cuts, and provide the agency with an additional \$40 million for a second Maritime Patrol Aircraft (HC-144A) for Station Cape Cod, to make up for the HU-25 (Falcon) that the agency plans to retire from that station in FY 2011. The Cape Cod Air Station provides services and security to the entire Northeast and frequently assists other regions when needed. The current plan to retire the fourth Falcon stationed in Cape Cod without replacing it with a new Maritime Patrol Aircraft will leave the station and the region with little-to-no flexibility. This

money will allow the agency to retain the 1100 billets it would otherwise have to cut, even if it still chooses to decommission particular assets like some of the older High Endurance Cutters.

I am also open to considering a plan by the Coast Guard to regionalize its Maritime Safety and Security Teams (MSST), but I have serious concerns with the agency's plan to decommission the MSST in New York, and I urge the agency to reconsider that plan. The additional funding will allow the Coast Guard to preserve all or some of the MSST's, five of the helicopters it proposes to decommission, and at least two of the High Endurance Cutters. If the Coast Guard moves forward with decommissioning the other, older High Endurance Cutters, the agency can still use the billets ostensibly "associated" with those cutters to perform other duties, like marine facility inspections, until new assets are commissioned.

### **Federal Protective Service**

The Federal Protective Service (FPS) is responsible for the security of more than 9,000 federal buildings and the more than 12 million federal employees working in those buildings. The agency has struggled in recent years to fulfill its mission, partially because, I believe, it lacked adequate resources and personnel. Despite those struggles, the President's budget proposal does not include an increase for this important agency to help it fully meet its responsibilities.

In July 2009, GAO completed an alarming review of the FPS, after visiting 10 high security federal buildings and smuggling readily-available IED components through security. While there are many factors that contributed to these failures, GAO highlighted the agency's gross inability to adequately oversee its contract guard workforce as a primary factor. In the FY 2008 DHS Appropriations Act, I fought to include a provision that required FPS to maintain no fewer than 1,200 FTEs, including at least 900 law enforcement officers. GAO's reports and statement at the HSGAC hearing in July 2009 make it clear that FPS needs more law enforcement personnel. FPS has nearly completed a human capital study and plan, but I believe the FPS budget needs to be augmented to provide the agency with additional flexibility and manpower. Therefore, I do not support the President's proposal to strike the legislative requirement that the FPS maintain a staffing floor, or the proposed flat budget for FPS in FY 2011. Instead, I ask that an additional \$15 million be provided to the FPS, so that it may hire an additional 100 federal law enforcement and support staff.

### **U.S. Secret Service**

The Secret Service's budget includes an \$8 million adjustment to base to fund a modernization effort within the Uniformed Division of the Secret Service. Last year, the Senate passed legislation (S. 1510) to authorize these proposed changes. The legislation would establish a new salary schedule for Uniformed Division personnel, assisting with recruitment and retention, and gives the Director authority to hire new officers at a higher rate, if they have superior qualifications, among other things. I fully support the President's request to fund this effort and recommend the Committee maintain this funding.

In 2008, a National Security Agency (NSA) Blue Team found that the Secret Service's computer systems were fully functional approximately just 60% of the time, compared to industry and government standards around 98%; they recommended more than 30 critical reforms. According to supplemental budget documents submitted to Congress last year, as well as the agency's five-year budget plan, the Secret Service expected to spend \$772 million on information integration and transformation programs between 2009 and 2015, including more than \$187 million in FY 2011, to improve communication with the White House Communications Agency, upgrade access controls, and modernize the agency's IT systems and their forensic and investigative technologies, helping to resolve the myriad problems identified by the NSA. Unfortunately, the Administration's budget proposal for FY 2011 only includes \$69 million for the Secret Service's various IT modernization projects, or roughly one-third of what had previously been planned for. I recommend that the Committee provide the Secret Service with additional funding of \$25 million – \$94 million in total – for this purpose.

### **Science and Technology Directorate and Domestic Nuclear Detection Office**

The Administration's FY 2011 request proposes to shift \$109 million and 12 full-time positions from the Transformational R&D program at the Domestic Nuclear Detection Office (DNDO) into the Department's S&T Directorate (S&T). I strongly support this proposal, which will enhance the integration and coordination of the Department's WMD-related research and development efforts. This transfer of funding and expertise will also allow S&T to resurrect its Nuclear and Radiological Countermeasures Division, and to resume R&D to develop next-generation response and recovery capabilities which can help first responders save lives following a nuclear or radiological terrorist attack.

However, the FY 2011 request disappointingly proposes to slash the S&T budget by 12 percent after adjusting for this transfer from DNDO. The proposed cuts would force S&T to stop or curtail existing R&D programs that focus on improving border security, cyber security and aviation security as well as developing new detection technologies to protect rail, intermodal and mass transit systems. This would roll back the incremental efforts that Congress has made in recent years to restore S&T's funding base. Instead, I propose funding the S&T Directorate at a level \$65 million greater than the Administration's request, which would restore a significant share of the funding for critical R&D programs in the other divisions of the S&T Directorate.

### **Infrastructure Protection and Cyber Security**

***Chemical Security.*** Facilities that make or use dangerous chemicals continue to present a critical homeland security priority. The Department is moving ahead with its new chemical site security program, the Chemical Facility Anti-terrorism Standards or CFATS, and the Administration is requesting \$105 million for this effort in FY 2011 (as well as ammonium nitrate regulation). I strongly urge the Committee to provide at least that amount for the program. The Department is currently entering the most intensive phase of the program – reviewing the proposed security plans of the riskiest chemical facilities and conducting site inspections. It is critical the Department continue to receive adequate funds to conduct this work and acquire

additional expertise with which to evaluate and advise on security at the varied enterprises that use and store dangerous chemicals.

**Cyber Security.** After years of increases for cyber security, the President's FY 2011 budget proposes a 5 percent reduction for the DHS National Cyber Security Division (NCSD). The Department has made considerable progress due to past funding, but it still needs to dramatically increase its skilled cyber security personnel and core capabilities. Key information systems in the private and public sectors are penetrated every day, and our defenses against computer attacks and data theft undeniably need improvement. Due to NCSD's broad mandate to protect government and private networks, I recommend that its budget be no less than \$387 million, the funding level for FY 2010 excluding earmarks.

### **Intelligence and Operations**

I fully support the classified requests totaling \$347 million for the Department's Office of Intelligence and Analysis (I&A) and the Office of Operations Coordination within the Analysis and Operations (A&O) account. I am pleased that the Department requests additional funding to increase the number of I&A personnel deployed to state and local fusion centers within its request and support the additional funds requested. I am also encouraged by I&A's plans to reduce its use of contractors and increase its number of full-time employees, which would provide I&A significant savings in FY 2011.

The Office of Operations Coordination is included within the classified A&O account even though none of its activities are funded as part of the National Intelligence Program and the programmatic details of its budget request are not classified. I urge the Committee to consider moving funding for this office to a separate, unclassified account in order to facilitate oversight and transparency into its activities.

### **Governmental Affairs Programs and Agencies**

The remainder of this letter addresses funding provided to Departments and agencies within the Committee's Governmental Affairs jurisdiction.

### **Privacy and Civil Liberties Oversight Board**

I remain deeply concerned that the Administration has not yet nominated anyone for the Privacy and Civil Liberties Oversight Board, created by the 2004 Intelligence Reform and Terrorism Prevention Act, and reconstituted by the 2007 Implementing Recommendations of the 9/11 Commission Act. The 9/11 Commission recognized that the vital work of combating terrorism could tread dangerously close to intruding on core rights and liberties, and urged creation of this Board to help advise on and review the nation's policies against terrorism with an eye toward safeguarding key freedoms. While we applaud the hard work of the original Board, in 2007 Congress concluded that the panel needed more independence and reconstituted it as an independent agency outside the Executive Office of the President. Unfortunately, the effort to create a stronger Board has, thus far, resulted in no board at all. I once again urge the President to

put forward nominees for the Board without delay, and I urge the Budget Committee to fund it at a robust level. The authorizing legislation originally recommended funding of \$10 million by FY 2011. While it is questionable that a new Board could effectively spend that much in its first year, I recommend that the Board receive funding to begin as strongly as feasible, certainly above the President's request of \$1.68 million.

### **Office of Electronic Government and the Electronic Government Fund**

This year the Administration requested \$35 million in the General Services Administration (GSA) budget for the E-Government Fund for the establishment of pilots relating to cloud computing, collaborative platforms, and transparency and participation. In FY 2009 the Administration rolled out a number of ambitious initiatives, including data.gov, the IT Dashboard, and apps.gov, which have increased transparency and have begun to illustrate the potential for reducing costs and increasing transparency across the government by using Information Technology. The additional funds requested for FY 2010 will be used to further modernize government systems and pave the way for greater savings. For that reason, I fully support the Administration's request for \$35 million for this effort.

In addition, the Administration has requested \$50 million for the Integrated, Efficient and Effective Uses of Information Technology fund in the budget for the Office of Management and Budget (OMB). These funds would both further implement pilots originally developed under the E-Government Fund and would assist with project management and guidance for IT projects. While I believe this is an important goal and support the amounts requested, this funding should be included with the \$35 million for the statutorily-created E-Government fund – which is required to report to Congress on its expenditures. Funding these initiatives, along with the additional project management tools, will lower costs and allow departments and agencies provide additional services in less time. As a result, we will see more results from funds requested for information technology and greater savings in future fiscal years.

Given the important role of the E-Government Office in managing these funds and their additional responsibilities, I also believe that the Congress should increase the appropriation for the Office of Management and Budget to allow for additional staff for this office. Currently, the E-Government office has approximately six staff members with the statutory responsibility to manage the information technology budget across the entire Federal government – which will add up to over \$79 billion in the FY 2011 budget request. In addition, the E-Government Office has responsibilities – shared with the Department of Homeland Security – over the security of Federal information systems, but has limited staff to assist in this key priority. Given the office's role, I recommend that the budget for the Office of Management and Budget be increased by \$3 million to allow for the hiring of additional staff.

### **Modernization of Acquisition Systems**

I also support the President's request for an additional \$20.5 million for the General Services Administration for the purpose of modernizing the Integrated Acquisition Environment (IAE), which consists of eight major data systems, including the Federal Procurement Data

System, Federal Business Opportunities (FedBizOpps.gov), the Excluded Parties List, and the Past Performance Information Retrieval System. These systems support over 40,000 federal procurement professionals, 600,000 vendors, over \$523 billion in annual procurement spending, and over eight million transactions per year. Unfortunately, despite depending on the same underlying data, these systems were developed over the years in a stove-piped manner and therefore are disjointed and difficult to use. Modernization of IAE will help the federal acquisition workforce make smarter contracting decisions and ensure that contracts are not awarded to irresponsible parties or to companies that have been debarred or suspended. In addition, providing easier access to information about federal procurement opportunities would enhance competition by attracting a larger pool of potential bidders. And finally, an IAE would provide greater transparency to the American public and the Congress on federal contract spending. I am convinced that this investment in IAE will pay for itself over time.

### **Acquisition Workforce**

The President's budget requests \$24.9 million for the General Services Administration for government-wide efforts to strengthen the acquisition workforce through better training, certification, and workforce management. The number of acquisition professionals in the federal government simply has not kept pace with the explosive growth in federal contracting over the last decade. Moreover, more than half of the acquisition workforce will be eligible to retire over the next eight years. We therefore are fast approaching a crisis unless we recruit and train a skilled workforce that can promote competition, get the best value for the government, and guard against waste, fraud and abuse in federal contracting. I understand that there may be some unobligated balances in the Acquisition Workforce Training Fund that may be available to help fund the President's proposed initiative. While taking those funds into account, I urge the Committee to provide a sufficient amount to fund the proposed initiative.

### **Office of Federal Procurement Policy**

I am extremely concerned that the Office of Federal Procurement Policy (OFPP) within the Office of Management and Budget lacks adequate personnel to carry out its mission of providing overall government-wide direction for procurement policies, regulations, and procedures. While total federal spending on goods and services has risen dramatically over the last decade, from \$147 billion in 1989 to over \$523 billion in 2009, the staffing level at OFPP has remained stagnant at roughly a dozen FTE's, including administrative support. Both under legislative mandate and at President Obama's direction, OFPP is responsible for reducing waste and abuse in contracting by promoting competition, preventing misuse of cost-plus contracts, bringing rationale to the interagency contracting process, mitigating conflicts of interest, and ensuring that inherently-governmental work is performed by federal employees. Each of these areas is highly complex and requires strong government-wide leadership from OFPP to bring greater efficiency and integrity to federal contracting. I therefore recommend that, at a minimum, the appropriation for OFPP be doubled, from \$3 million to \$6 million.



## **United States Postal Service**

The Postal Service continues to experience accelerated declines in mail volume and revenue, primarily due to the current economic crisis and the electronic diversion of mail. In fiscal year 2009, the Postal Service recorded a loss of \$3.8 billion and USPS ended the first quarter of this fiscal year (October 1 to December 31, 2009) with a net loss of \$297 million. The Postmaster General recently indicated that, without substantial changes, losses will be even more substantial going forward.

Therefore, as Congress works with the Postal Service on long term solutions, I recommend that we consider providing the Postal Service with additional financial relief in FY 2011. One option, recommended by the Postal Service (USPS), is to allow USPS to restructure its required payments into the Postal Service Retiree Health Benefits Fund. Currently, the Postal Accountability and Enhancement Act (P.L. 109-435) requires the Postal Service to pre-pay its retiree health benefits obligations for future retirees into the Fund, while it makes payments for current retirees. Thus, restructuring the Postal Service's payments into the Fund would provide USPS with financial relief during this economic downturn.

## **Postal Service Financial Relief (and Other Legislation) Reserve Fund**

I also recommend that a reserve fund be included in the Budget Resolution to accommodate for the budgetary impact of possible legislation to provide financial relief to the Postal Service (as discussed above) and any other legislation under consideration by this Committee affecting the terms and funding of certain employment benefits of Federal civilian personnel.

## **National Archives and Records Administration (NARA)**

I support the \$460 million in the President's budget request for the National Archives and Records Administration (NARA). The role of the National Archives in protecting and preserving our national heritage continues to be critical – particularly as the number of records it preserves and protects increases exponentially. Furthermore, in recent years NARA has received many additional responsibilities, including the establishment of the National Declassification Center last year and the creation of Office of Government Information Services to oversee Freedom of Information Act activities government-wide. In 2008, NARA was designated as the lead agency for the implementation of the Controlled Unclassified Information (CUI) framework, which is intended to streamline the use of sensitive, unclassified information within the federal government.

I also believe that the administration should increase the appropriation for the National Historical Publications and Records Commission (NHPRC) from \$10 million to \$13 million. The NHPRC supports the efforts of NARA to preserve and publish any material relating to the history of the United States. In the last Congress, this Committee passed the Presidential Historical Records Preservation Act of 2008 (P.L. 110-404), which gave additional responsibilities to the NHPRC to make grants to preserve records of former Presidents, providing

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online access to the documents of the founding fathers and creating a database for records of servitude, emancipation, and post-civil war reconstruction. I believe these important missions require additional funding for the Commission to allow it to also continue its traditional role in protecting the records that define this country.

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I appreciate this opportunity to comment on issues of concern to the Committee on Homeland Security and Governmental Affairs.

Sincerely,

Joseph I. Lieberman  
Chairman

cc: The Honorable Susan Collins